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# TITLE I—MODERNIZING THE SBIR AND STTR PROGRAMS

## SEC. 101. EXTENSION OF TERMINATION DATES.

(a) SBIR.—Section 9(m) of the Small Business Act (15 U.S.C. 638(m)) is amended by striking “2008” and inserting “2010”.

(b) STTR.—Section 9(n)(1)(A) of the Small Business Act (15 U.S.C. 638(n)(1)(A)) is amended by striking “2009” and inserting “2010”.

## SEC. 102. INCREASED SBIR AND STTR SET-ASIDES.

(a) SBIR.—Section 9(f)(1) of the Small Business Act (15 U.S.C. 638(f)(1)) is amended—

(1) in subparagraph (B) by striking “and” at the end;

(2) in subparagraph (C) by striking “in each fiscal year thereafter,” and inserting “in each of fiscal years 1997 through 2008; and” and

(3) by adding after subparagraph (C) the following:

“(D) not less than 3.0 percent of such budget in each fiscal year thereafter.”.

(b) STTR.—Section 9(n)(1)(B) of the Small Business Act (15 U.S.C. 638(n)(1)(B)) is amended—

(1) in clause (i), by striking “and” at the end;

(2) in clause (ii), by striking “fiscal year 2004 and each fiscal year thereafter.” and inserting “each of fiscal years 2004 through 2008; and”; and

(3) by adding after clause (ii) the following new clause:

“(iii) 0.6 percent for fiscal year 2009 and each fiscal year thereafter.”.

## SEC. 103. INCREASED SBIR AND STTR AWARD LEVELS.

(a) SBIR AWARD LEVEL.—Section 9(j)(2)(D) of the Small Business Act (15 U.S.C. 638(j)(2)(D)) is amended by striking “\$100,000” and “\$750,000”, and inserting “\$300,000” and “\$2,200,000”, respectively.

(b) STTR AWARD LEVEL.—Section 9(p)(2)(B)(ix) of the Small Business Act (15 U.S.C. 638(p)(2)(B)(ix)) is amended by striking “\$100,000” and “\$750,000” and inserting “\$300,000” and “\$2,200,000”, respectively.

(c) ANNUAL ADJUSTMENTS.—Section 9 of the Small Business Act (15 U.S.C. 638) is amended—

(1) in subsection (j)(2)(D), by striking “and an adjustment of such amounts once every 5 years to reflect economic adjustments and programmatic considerations” and inserting “and a mandatory annual adjustment of such amounts to reflect economic adjustments and programmatic considerations”; and

(2) in subsection (p)(2)(B)(ix), by striking “greater or lesser amounts” and inserting “with a mandatory annual adjustment of such amounts to reflect economic adjustments and programmatic considerations, and with lesser amounts”.

(d) LIMITATION ON CERTAIN AWARDS.—Section 9 of the Small Business Act (15 U.S.C. 638) is amended by adding at the end the following:

“(2) LIMITATION ON PHASE I AND II AWARDS.—

“(1) IN GENERAL.—No Federal agency shall issue an award under the SBIR program or the STTR program if the size of the award exceeds the amounts established under subsections (j)(2)(D) and (p)(2)(B)(ix), except as provided in paragraph (2).

“(2) EXCEPTION.—The prohibition in paragraph (1) does not apply to an agency for a fiscal year if the head of the agency—

“(A) notifies the Administrator that the agency intends to issue awards in that fiscal year without regard to the prohibition in paragraph (1); and

“(B) reports to the Committee on Small Business and the Committee on Science and Technology of the House of Representatives and the Committee on Small Business and Entrepreneurship of the Senate at least annually the number of instances in which the agency issued an award that exceeds the amounts referred to in paragraph (1) and the justification for each such instance.”.

## SEC. 104. ESTABLISHMENT OF SBIR ADVISORY BOARDS.

(a) IN GENERAL.—Section 9 of the Small Business Act (15 U.S.C. 638) is amended by inserting after subsection (2) the following:

“(aa) SBIR ADVISORY BOARDS.—

“(1) ADVISORY BOARDS REQUIRED.—Each Federal agency that is required by this section to conduct an SBIR program and that administers annually \$50,000,000 or more in SBIR grants shall have an SBIR advisory board.

“(2) MEMBERS.—For each advisory board required by paragraph (1), the members of the advisory board shall include—

“(A) at least two individuals who are employees of the agency;

“(B) at least two representatives of private sector technology firms; and

“(C) such other individuals as the agency considers appropriate.

“(3) SECURITY CLEARANCES.—Where it is appropriate to the work of an advisory board required by paragraph (1) that the members and staff of the advisory board have a security clearance, the appropriate departments and agencies of the executive branch shall cooperate with the advisory board to expeditiously provide members and staff with appropriate security clearances to the extent possible under applicable procedures and requirements.

“(4) MEETINGS.—Each advisory board required by paragraph (1) shall meet at least two times per year.

“(5) DUTIES.—Each advisory board required by paragraph (1) shall—

“(A) review the quarterly reports submitted under subsection (g)(8);

“(B) make recommendations to the agency about potential modifications to the agency's SBIR program that are intended to—

“(i) encourage applications, particularly applications from small business concerns owned and controlled by women, small business concerns owned and controlled by minorities, and small business concerns in States and regions that historically receive few SBIR awards; and

“(ii) support commercialization of Federal research funded by SBIR awards; and

“(C) submit to the Committee on Small Business and the Committee on Science and Technology of the House of Representatives and the Committee on Small Business and Entrepreneurship of the Senate an annual report on the SBIR program conducted by the agency.

“(6) CONTENTS OF ANNUAL REPORT.—The annual report required by paragraph (5)(C) shall include a description of how that agency's SBIR program is functioning and any recommendations of the advisory board for strengthening that agency's SBIR program. The annual report shall also state the number and dollar amount of awards under the agency's SBIR program, and under the agency's STTR program, that were made to small business concerns owned and controlled by women, small business concerns owned and controlled by minorities, small business concerns owned and controlled by veterans, and small business concerns in States and regions that historically receive few SBIR awards.

“(7) NON-APPLICABILITY OF FACA.—The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to an advisory board required by paragraph (1).”.

(b) AGENCY REPORTS TO SBIR ADVISORY BOARDS.—Section 9(g)(8) of the Small Business Act (15 U.S.C. 638(g)(8)) is amended by inserting before the semicolon at the end the following: “and, if the agency is required by subsection (aa) to have an SBIR advisory board, submit a quarterly report on the SBIR program to that SBIR advisory board”.

## SEC. 105. INCREASE IN AMOUNT OF TECHNICAL ASSISTANCE FUNDS AND OPTION TO PURCHASE TECHNICAL ASSISTANCE DIRECTLY.

Section 9(q) of the Small Business Act (15 U.S.C. 638(q)) is amended—